GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1850
ANSWERED ON:24.08.2007
LOSS OF VALUABLE FROM LOCKERS
Mollah Shri Hannan

Will the Minister of FINANCE be pleased to state:

(a) Whether thsre is any provision to give compensation to the customer in case of loss valuable frcm the Bank Lockers;

(b) If so, the details thereof;

(c) If not, wheiher the Government is planning to incorporate any Act or Rule to safegua the interest of the Customers; and

(d) If so, the derails thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) Relationship between the banker and renter of the locker is in the nature of a bail and bailee, although the bank has no knowledge of the contents of the locker and the definition of `bailment` in section 148 of the Contract Act does not strictly apply. Reserve Bank of Inc (RBI) has not issued any instructions to banks advising them to give compensation to the customer in case of loss of valuables from the bank lockers. However, RBI has advised the banks to exercise due care and necessary precaution for protection of the vault and the locked provided to the customers. Banks are also required to review the systems in force for operation of safe deposit vaults/locker at their branches on an on-going basis and take necessary step The security procedures should be well-documented and the concerned staff should be proper trained in the procedure. The internal auditors should ensure that the procedures are stric adhered to.

(c) No, sir.

(d) Does not arise.